



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

June 8, 2006

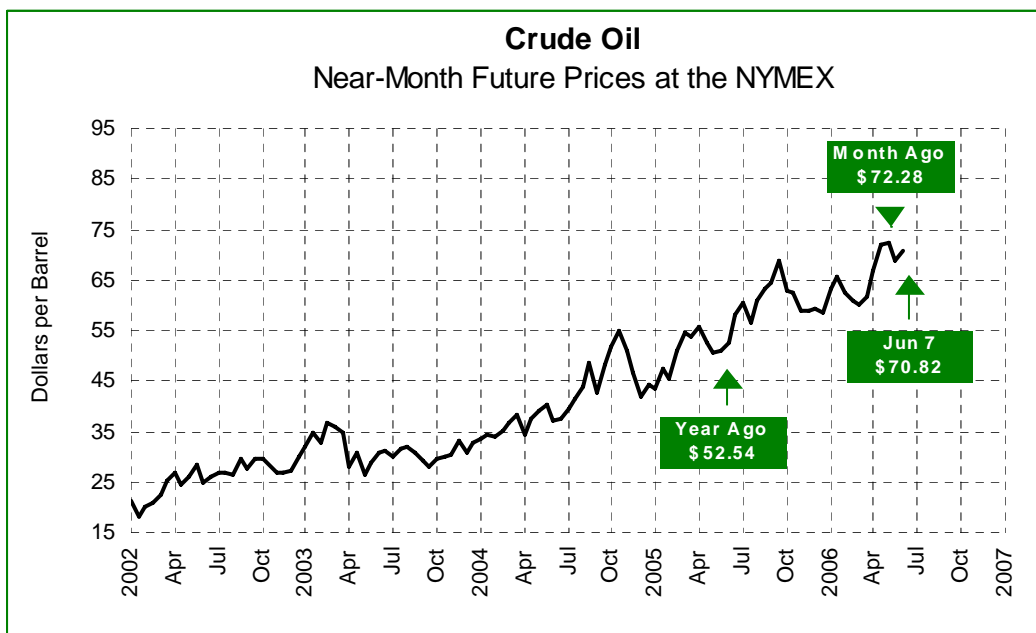
Crude Oil

On June 7, crude oil futures for June delivery on the NYMEX fell \$1.68 to settle at \$70.82 per barrel as growing fuel stockpiles eased worries over supplies leading into the summer driving season.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>06-07-06</u>	<u>05-03-06</u>	<u>change</u>	<u>06-08-05</u>	<u>change</u>
NYMEX	\$70.82	\$72.28	down 2%	\$52.54	up 35%

- Despite the drop in crude oil futures yesterday, the market is still on edge after Iran's oil minister said they could halt exports if its standoff with the West over its nuclear ambitions escalated. In Nigeria, militants attacked a Shell-operated oil facility, killing 10 security force members and kidnapping 5 South Korean contractors. The attack comes just 3 days after 8 foreign oil workers were released by a different group of kidnappers, and is the latest in a series of militant attacks that has cut a quarter of Nigeria's oil production.



- U. S. crude oil supplies increased 1.1 million barrels to 346.6 million barrels for the week ending June 2 and are 15.8 million barrels or 4.8 percent higher than last year at this time. Crude supplies improved due to higher U.S. crude oil production, crude oil imports and refinery related issues for the week ending June 2. U.S. crude oil production improved to 5.1 million barrels per day, but is still

below the 5.5 million barrels per day reported at this time last year. Crude imports improved slightly to 10.9 million barrels per day compared to 10.22 million barrels at this time last year.

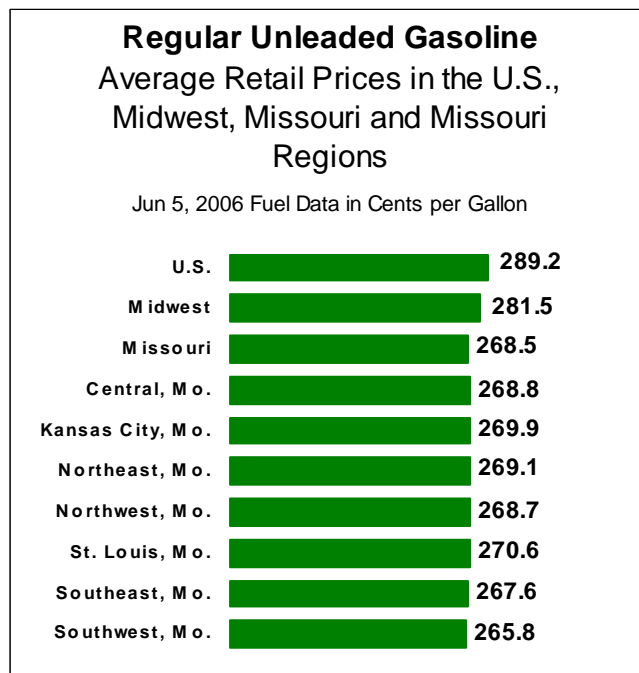
- The U.S. Minerals Management Service (MMS) on June 1 reported approximately 227,888 barrels or just over 15 percent of the Gulf's 1.5 million barrels per day of crude production continues to be shut down following last year's hurricanes. Production concerns prevail with the National Oceanic and Atmospheric Administration's estimate of 4 to 6 major hurricanes this season that may impact the Gulf Region.
- Refinery runs fell slightly from the previous week, yet remain near 89 percent of capacity as U.S. refineries reported operational issues. Weekly refinery utilization remained flat at 15.6 million barrels of crude oil per day compared to nearly 16.1 million barrels at this time last year.

Transportation Fuels

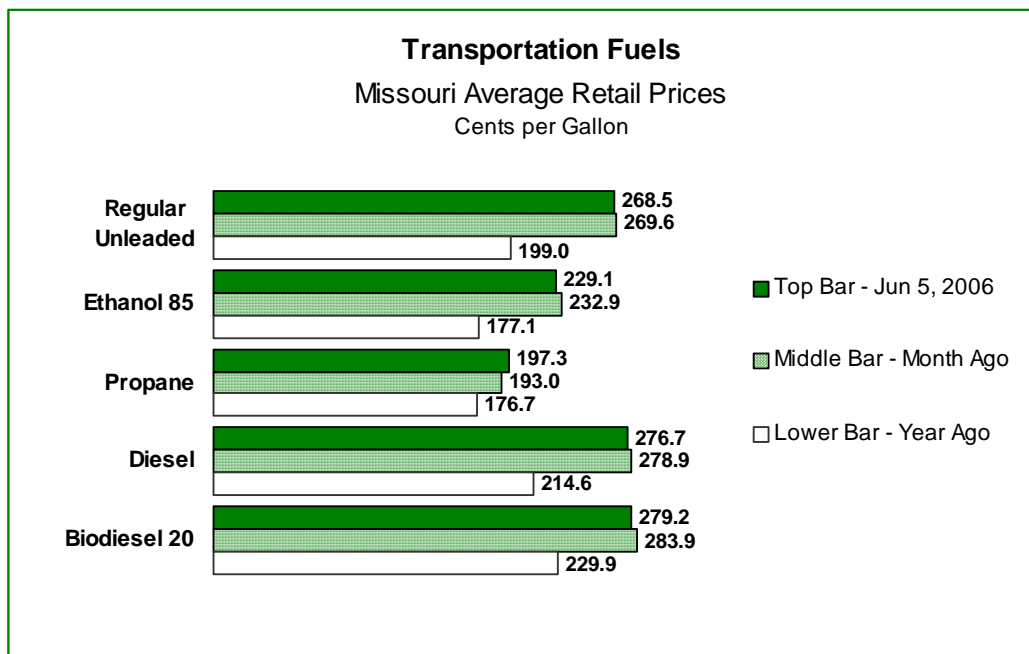
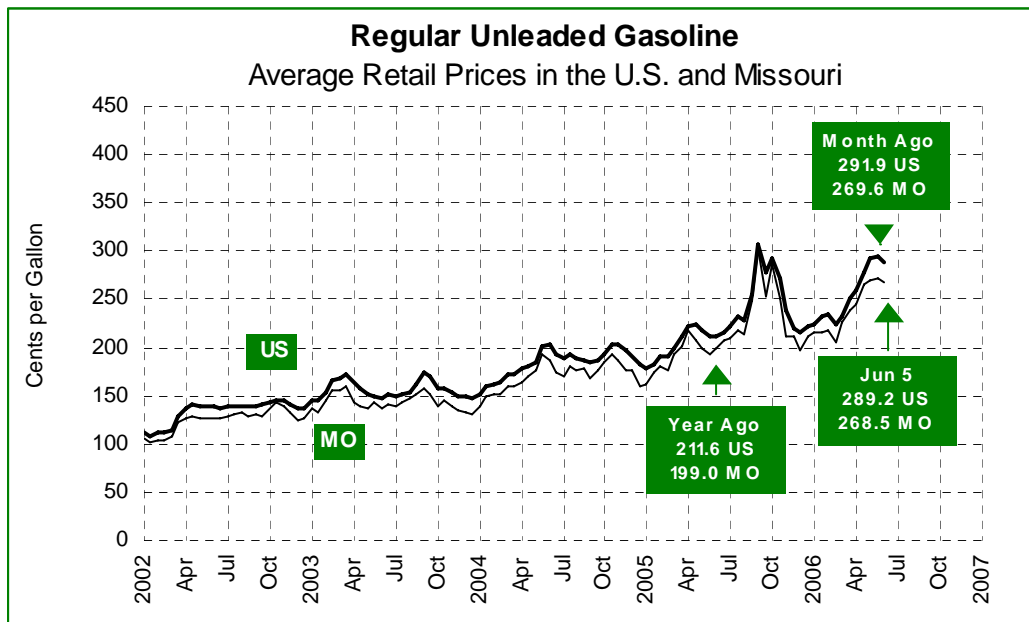
On June 5, Missouri's average retail price for regular unleaded gasoline was \$2.69 and diesel fuel was \$2.77 per gallon, a decrease of 1 percent for both fuels compared to early May.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>06-05-06</u>	<u>05-01-06</u>	<u>change</u>	<u>06-06-05</u>	<u>change</u>
US	289.2	291.9	down 1%	211.6	up 37%
Missouri	268.5	269.6	down 1%	199.0	up 35%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>06-05-06</u>	<u>05-01-06</u>	<u>change</u>	<u>06-06-05</u>	<u>change</u>
US	289.0	289.6	down 1%	233.4	up 24%
Missouri	276.7	278.9	down 1%	214.6	up 29%



- On June 5, Missouri's statewide average gasoline retail price was down 2.7 cents while diesel retail prices fell 2.2 cents from last month. According to the EIA as of June 6, regular gasoline pump prices for the summer of 2006 (from April 1 to September 30) are expected to average \$2.76 per gallon, 39 cents higher than last year's average of \$2.37 per gallon. EIA projects retail diesel fuel prices will average \$2.79 per gallon, 38 cents higher than last year's average of \$2.41 per gallon.



- Gasoline supplies are up one million barrels (0.5 percent) from a month ago at 210.3 million barrels compared to 217 million barrels at this time last year. During the last six weeks, supplies have increased nearly 10 million barrels. Implied demand for gasoline fell last week, but the four-week aggregate number is the same as last year at 9.3 million. Gasoline imports fell slightly by 0.15 million barrels per day and U.S. gasoline output decreased to 9.14 million barrels per day compared to 9 million last year at this time.

Motor Gasoline - Total Stocks (millions of barrels)

	<u>06-02-06</u>	<u>04-28-06</u>	<u>change</u>	<u>06-03-05</u>	<u>change</u>
US	210.3	202.7	up 4%	216.6	down 3%

- Distillate stocks, which include heating oil and diesel fuel, increased 1.8 million barrels to 120.7 million barrels. Distillate production increased by 45,000 to 4.1 million barrels compared to 4.2 last year at this time. Imports were relatively unchanged at 0.3 million. Implied demand fell 0.126 million barrels per day.

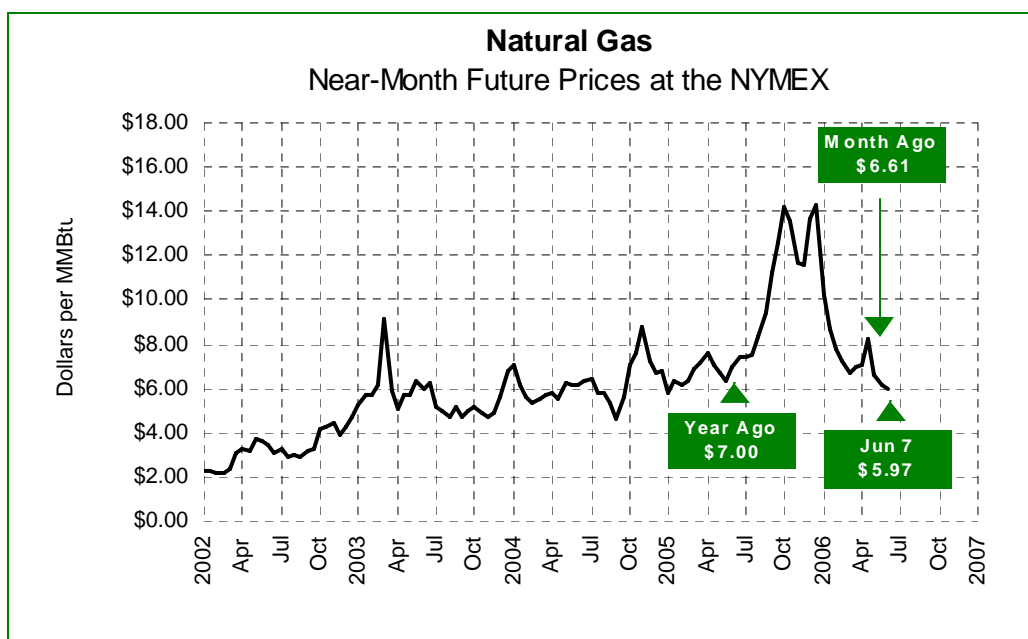
Natural Gas

On June 7, natural gas futures closed at \$5.97 per MMBtu, a decrease of 10 percent or \$0.64 since last month.

Natural Gas - Near Month Future Prices (dollars per mmbtu)

	<u>06-07-06</u>	<u>05-03-06</u>	<u>change</u>	<u>06-08-05</u>	<u>change</u>
NYMEX	\$5.97	\$6.61	down 10%	\$7.00	down 15%

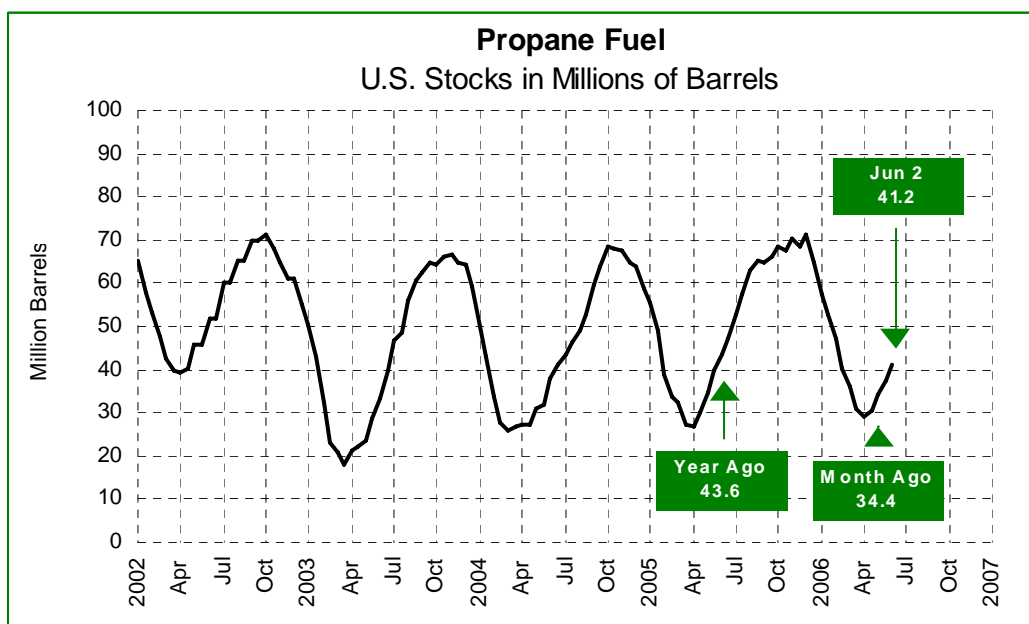
- Continuing moderate temperatures across much of the Lower 48 States, particularly in the eastern half of the country, helped lower natural gas spot and futures prices during the week (Wednesday to Wednesday, May 31 – June 7). At the NYMEX, the price of the futures contract for July delivery moved lower by 41 cents per MMBtu compared with its settlement price a week ago, ending yesterday at \$5.97 per MMBtu.
- Working gas in underground storage as of June 2, was 2,320 Bcf, according to EIA's Weekly Natural Gas Storage Report. U.S. storage levels remain 41.3 percent above the 5-year average of 1,642 Bcf and 24.2 percent above last year's level of 1,868 Bcf. As of June 1, the U.S. Minerals Management Service estimated that nearly 1.1 billion cubic feet per day or approximately 11 percent of the Gulf's natural gas production, remains shut down from last fall.



Propane

Missouri's average retail propane price was \$1.59 per gallon on June 5, an increase of 13 percent, or \$0.18 from June 2005.

Propane - Residential Prices (cents per gallon)					
	06-05-06	05-01-06	change	06-06-05	change
Missouri	158.9	162.0	down 2%	141.0	up 13%



- With last week's 1.5-million-barrel gain, U.S. inventories of propane moved up to an estimated 41.2 million barrels as of June 2, 2006, a level that continues to track near the lower boundary of the average range for this time of year. Midwest inventories improved by 0.9 million barrels to 17.8 million barrels for the week ending June 2. Inventories stood at 14.7 million barrels at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm